Rs. 43.5862 in March 2000 to Rs. 44.6893 in June 2000 and ranged in between Rs. 44.67 and Rs. 45.02 per US dollar during July 2000 up to 21st July 2000. This decline in the value of rupee in terms of US dollar cannot be regarded as devaluation of Indian rupee, since the exchange rate of the rupee against the US dollar is market determined and its movements reflect the developments in the foreign exchange market conditions in India.

(b) After deregulation, banks are free to prescribe their own lending rates, including the Prime Lending Rate (PLR), after/duly taking into account their cost of funds, transaction cost and minimum spread. The only lending rates now prescribed by the Reserve Bank of India are the concessional rates for certain sectors like exports, small loans up to Rs. 2 lakhs (not exceeding the PLR) and those under the Differential Rate of Interest (DRI) Scheme.

(c) The increase in the administred prices of fuel products like LPG and Kerosene in March 2000 together with 40% increase in Diesel prices earlier in October 1999 resulted in pushing up the annual rate of inflation in terms of the Wholesale Price Index (WPI) by over 2 percentage points. However, this adjustment in the administered prices of energy products was absolutely necessary in view of the significant rise in international prices of crude oil.

Review of the performance of Banks

1021. SHRI VIJAY J. DARDA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have recently reviewed the performance of Nationalised Banks in general and the problem of critical position created by significant increase in NPAs;

(b) if so, the details thereof, Bank-wise;

(c) the details of major decision taken and follow-up action thereon alongwith the accountability fixed; and

(d) the comprehensive action plan formulated to bring down NPAs substantially within a stipulated time frame and the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEB VIKHE PATIL): (a), (c) and (d) Various important issues relating to banking sector were discussed in a meeting taken up the Finance Minister with the Chief Executives of the Public Sector Banks on 13.6.2000 under the aegis of the Indian Bank's Association (IBA). Among the various issues, the following were flagged as most critical from the point of public perception and expectations;

(i) NPA management and recovery of bank dues especially the high value borrowal accounts.

(ii) Approach to priority sector lendings.

(iii) Customer satisfaction and redressal of grievances.

RBI was requested to draw up non-discretionary/non-discriminatory guidelines to tackle the problem of stock of old non-performing assets in public sector banks. The revised guidelines will cover all NPAs in all sectors irrespective the nature of business which have become doubtful or loss as on 31.3.1997 and also NPAs classified as sub-standard as on March 31, 1997 and which have become doubtful or loss subsequently. Although, it was decided to have the guideliens for NPAs with outstanding balance of Rs. 10 crore and below on the cut off date, the matter has been re-examined and on a review it has been decided to peg the cut off limit at Rs. 5 crore. Recovery in NPA accounts over Rs. 5 crore will have to be personally monitored and followed up by the CEO in accordance with the policy laid down by the Board of Directors. It was also decided in the meeting that where the Board of a bank comes to conclusion that a rehabilitation scheme or one time settlement is not possible, recovery suits should be filed without further loss of time. Guidelines have been issued by the RBI. The levels for monitoring NPAs upto different amounts was also discussed at the meeting.

(b) A Statement indicating gross and net NPAs of public sector banks as on 31.3.2000 (provisional) is enclosed.

Statement

Public Sector Banks—Gross and Net NPAs as on 31.03.2000 (Provisional)

(Rs. crore)

NAME OF THE BANK	Gross NPAs	%of NPAs to Total Advances	Net NPAs	%of net NPAs to Net Advances
STATE BANK OF INDIA	15246.29	14.25	6283.99	6.41
STATE BANK OF BIKANER & JAIPUR	773.47	15.36	453.33	9.62
STATE BANK OF HYDERABAD	935.72	14.18	444.20	7.30
STATE BANK OF INDORE	318.01	10.80	214.64	7.55
STATE BANK OF MYSORE	549.81	13.89	301.48	8.12
STATE BANK OF PATIALA	669.53	10.99	351.80	6.09
STATE BANK OF SAURASHTRA	469.39	13.71	251.45	7.87
STATE BANK OF TRAVANCORE	811.08	14.43	451.66	8.58
Total for State Bank group	**19773.30**	**13.45**	**8752.55**	**7.69**
ALLAHABAD BANK	1504.37	16.93	871.00	10.53
ANDHRA BANK	456.78	7.83	193.60	3.47
BANK OF BARODA	3836.00	14.78	1663.00	6.98
BANK OF INDIA	3282.00	11.89	2233.00	8.43
BANK OF MAHARASHTRA	716.79	12.65	370.48	6.97
CANARA BANK (*)	2596.08	10.42	1243.76	5.28
CENTRAL BANK OF INDIA	2842.67	16.63	1555.45	9.84
CORPORATION BANK	433.03	5.39	148.80	1.92
DENA BANK	1399.60	18.15	983.11	13.48
INDIAN BANK	3134.00	29.63	1148.00	13.79
INDIAN OVERSEAS BANK	1622.79	13.18	885.37	7.65
ORIENTAL BANK OF COMMERCE	527.51	5.50	336.42	3.61
PUNJAB & SIND BANK	729.88	14.38	416.17	8.74
PUNJAB NATIONAL BANK	3126.77	13.19	1916.95	8.52
SYNDICATE BANK	992.15	7.74	386.72	3.17
UCO BANK	1651.41	18.79	683.83	8.75

UNION BANK OF INDIA	1881.20	12.27	1164.28	7.97
UNITED BANK OF INDIA	1520.00	27.60	578.00	12.7
VIJAYA BANK	567.19	11.52	309.97	6.64
TOTAL FOR NATL. BANKS	32820.22	14.13	17087.96	7.81
TOTAL FOR PSBs	52593.52	14.28	25840.51	8.20

(*) Canara Bank has reported that the gross NPAs as on 31.03.2000 stands reduced by amount representing technical write off at Head Office.
(&) Gross NPAs reduced by reversal Interest Suspense Account amount during the year.

Measures suggested by Parivartan to Income tax Department

1022. SHRI MAHESH CHANDRA SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a voluntary organisation Parivartan has submitted tax payer's grievances to Income-tax Department, Delhi;

(b) if so, how many of these grievances have been resolved;

(c) by when the balance will be resolved;

(d) whether Parivartan has also suggested some measures to prevent recurrence of such grievances; and

(e) if so, by when the Government will implement these measures?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAY KUMAR): (a) and (b) Yes Sir, out of 509 grievances, 214 have been redressed.

(c) The balance grievances will be resolved as and when complete particulars are given by the taxpayers regarding assessment year, ward, circle etc.

(d) Yes Sir.

(e) Most of the measures suggested by Parivartan are already in operation in the Income-tax Department. The implementation of the remaining measures is under consideration and depends on the availability of qualified manpower and infrastructure commensurate with the workload of the Department.